

FIRST REGULAR SESSION

# HOUSE BILL NO. 421

## 99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE PETERS.

0567H.011

D. ADAM CRUMBLISS, Chief Clerk

### AN ACT

To repeal section 143.011, RSMo, and to enact in lieu thereof one new section relating to income tax exemptions.

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 143.011, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.011, to read as follows:

143.011. 1. A tax is hereby imposed for every ~~taxable~~ tax year on the Missouri taxable income of every resident, **except for residents exempted under subsection 5 of this section.** The tax shall be determined by applying the tax table or the rate provided in section 143.021, which is based upon the following rates:

If the Missouri taxable income is: The tax is:

Not over \$1,000.00 . . . . .	1 1/2% of the Missouri taxable income
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Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
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Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
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Over \$3,000 but not over \$4,000	\$60 plus 3% of excess
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EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18		over \$3,000
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20	Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess
21		over \$4,000
22		
23	Over \$5,000 but not over \$6,000	\$125 plus 4% of excess
24		over \$5,000
25		
26	Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of
27		excess over \$6,000
28		
29	Over \$7,000 but not over \$8,000	\$210 plus 5% of excess
30		over \$7,000
31		
32	Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of
33		excess over \$8,000
34		
35	Over \$9,000 . . . . .	\$315 plus 6% of excess
36		over \$9,000

37       2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of  
 38 this section may be reduced over a period of years. Each reduction in the top rate of tax shall be  
 39 by one-tenth of a percent and no more than one reduction shall occur in a calendar year. The top  
 40 rate of tax shall not be reduced below five and one-half percent. Reductions in the rate of tax  
 41 shall take effect on January first of a calendar year and such reduced rates shall continue in effect  
 42 until the next reduction occurs.

43       (2) A reduction in the rate of tax shall only occur if the amount of net general revenue  
 44 collected in the previous fiscal year exceeds the highest amount of net general revenue collected  
 45 in any of the three fiscal years prior to such fiscal year by at least one hundred fifty million  
 46 dollars.

47       (3) Any modification of tax rates under this subsection shall only apply to tax years that  
 48 begin on or after a modification takes effect.

49       (4) The director of the department of revenue shall, by rule, adjust the tax tables under  
 50 subsection 1 of this section to effectuate the provisions of this subsection. The bracket for  
 51 income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced  
 52 to five and one-half ~~of a~~ percent.

53           3. Beginning with the 2017 calendar year, the brackets of Missouri taxable income  
54 identified in subsection 1 of this section shall be adjusted annually by the percent increase in  
55 inflation. The director shall publish such brackets annually beginning on or after October 1,  
56 2016. Modifications to the brackets shall take effect on January first of each calendar year and  
57 shall apply to tax years beginning on or after the effective date of the new brackets.

58           4. As used in this section, the following terms mean:

59           (1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as  
60 reported by the Bureau of Labor Statistics, or its successor index;

61           (2) "CPI for the preceding calendar year", the average of the CPI as of the close of the  
62 twelve month period ending on August thirty-first of such calendar year;

63           (3) "Percent increase in inflation", the percentage, if any, by which the CPI for the  
64 preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending  
65 August 31, 2015.

66           **5. On and after January 1, 2018, no income tax shall be imposed on a resident who**  
67 **is seventy years of age or older on the first day of the calendar year.**

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